

# INITIATIVES FOR INDUSTRY



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

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When UNIDO was established by the United Nations General Assembly in 1966, it was given the job of promoting industrialization in developing countries. In tackling this formidable task, the Organization has provided assistance to some 180 countries and regions, bringing the prospect for a better life to thousands of millions of persons throughout the world.

With UNIDO's transformation into the sixteenth specialized agency of the United Nations in 1986, its mandate was strengthened to include working with the private—as well as public and cooperative—sectors of industry. At the same time, it was called on to develop new concepts and approaches to industrial development.

In meeting these challenges, UNIDO has gone from strength to strength by providing a wealth of industrial services that respond to the demands of today's economic realities. The following examples highlight merely a few of the Organization's many and varied initiatives for industry.

Building on these achievements, the Organization is drawing on its expertise to help developing countries transform their industries from the public to the private sector, from inward-looking to globally oriented.

While the industrial performance of some developing economies has grown dramatically in recent years, most still lag far behind, especially in technological developments and competitive skills.

This gap underlines all the more the need for the Organization's services in today's changing economic climate. Whether they be advisory or technical services, institutional support or technical cooperation, UNIDO assistance is enabling industry to be a key contributor to equitable and sustainable development.



## SELF-SUSTAINING GROWTH

Industrialization as an engine for economic growth is crucial to the prosperity of developing countries. Increased availability of domestically manufactured goods means that home markets can burgeon while demand for local industrial products grows, foreign exchange is saved through import substitution as well as earned through exports and employment is created with the advent of new industries.

But developing countries have to be able to plan, manage and operate their own industries if they are to achieve industrial self-reliance. In fostering this kind of growth, UNIDO has been emphasizing the dynamic role that the private sector can play.

- In Buenos Aires, UNIDO turned less than \$160,000 seed money into an economic shot in the arm by helping to establish a subcontracting exchange enabling 600 enterprises to cooperate in using Argentina's existing industrial capacities to the maximum—in turn, generating \$7 million worth of contracts in its first year of operation and attracting new investment projects
- A cement company in northern Nigeria is making a profit for the first time in more than 25 years by increasing its output of cement for the local building industry following a comprehensive programme of industrial rehabilitation provided through a UNIDO trust fund agreement
- Drawing on UNIDO's investment and technical expertise, export-processing zones around the Sri Lankan capital, Colombo, have spurred on industrial growth by giving 150 private businesses the impetus to relocate as well as by bringing in a fifth of the country's export revenues and creating thousands of jobs

## COMPETITIVE EDGE

Increasing world interdependence and growing globalization of industrial activities mean that developing countries must become more competitive if they are to find a niche in international markets.

To help the South achieve this competitive edge, UNIDO offers a multifaceted approach involving advice on industrial policy, special programmes for entrepreneurship development, policies for promotion of small- and medium-scale industries, export-oriented industrial programmes, training in technology management and assistance for productivity, quality and standardization.

- *Successful industrial planning is more accessible and accurate than ever since UNIDO developed a unique package comprising its Manual for the Preparation of Feasibility Studies—which has sold in excess of 200,000 copies in 19 languages—coupled with its Computer Model for Feasibility Analysis and Reporting, a software programme with more than a thousand users worldwide*
- *India's National Institute of Design, in Ahmedabad, is passing on the benefits of UNIDO assistance through its consultancy services to put a host of industrial products at the cutting edge of modern design and quality standards*
- *Design also played an important role for 40 handicraft producers—mostly women—from Indonesia, Malaysia, the Philippines and Thailand when UNIDO took entrepreneurship up market by providing industrial design advice for their goods and then putting these on show in Paris, attracting \$500,000 worth of orders within a week*



## TRAINING FOR TOMORROW

Human resource development is an essential catalyst for self-sustaining industrial growth. The South requires ever-increasing numbers of trained personnel to plan, develop and manage its emerging industries.

Since 1972 UNIDO has enabled more than 25,000 persons from developing countries to take part in workshops, seminars, on-the-job training and study tours designed to increase technical, managerial and entrepreneurial skills.

- *More than 560 participants from the South have sharpened their engineering skills in electrical welding through a UNIDO group training programme begun in Ukraine in 1972*
- *Since 1983 an annual UNIDO training course in Turkey has helped nearly 200 engineers from 30 developing countries upgrade their knowledge of modern iron and steel production techniques*
- *Training arranged by UNIDO for 82 Polish senior executives and policy makers in business analysis and industrial restructuring is aiding their country's transition to private enterprise and a market economy*

## JOBS THROUGH INDUSTRY

Job creation is a vital spin-off from industrial development that can enhance the quality of people's lives throughout the developing world.

Small- and medium-scale enterprises constitute a major focus of UNIDO assistance since they generate employment among a broad cross-section of both urban and rural society, while often opening up new opportunities for women to take part in industrialization.

- *UNIDO revitalized a traditional occupation for some 3,000 rural women in Nigeria's Plateau state by introducing solar evaporation technology to help them increase their output of salt while saving scarce supplies of firewood formerly used to fuel the evaporation process*
- *Technical services and business training from UNIDO have proved an economic tonic for a variety of small enterprises and have launched several dozen new ones in the Solomon Islands, one of the benefits being the creation of 200 jobs*
- *So successful was an initiative by UNIDO to set up a revolving investment fund and supply technical support to small- and medium-scale industry in Guinea that after 40 new enterprises were established—employing 350 workers—the project was scaled up to more than double this number while offering hundreds of job opportunities*

## CLEANER OUTLOOK

Clean industrialization constitutes one of the cornerstones of self-reliant industrial growth. It aims to make industry a contributor to—rather than a polluter of—the environment, while striking a balance between the needs of current and future generations.

UNIDO has increasingly been incorporating ecological considerations into all its activities. Clean, cost-effective technologies that make optimum use of energy and natural resources play a major role in its efforts to foster a brighter industrial tomorrow.

- *With UNIDO assistance a Shanghai plastics factory is able to recycle masses of polyethylene foil, used by farmers to protect their fields during the growing season, in an effort to keep China's countryside free of rural waste*
- *In Brazil's Rio Grande do Sul state, UNIDO joined forces with a local tannery school to show leather producers in the area and in other Latin American countries how they could save money by reusing polluting chemicals in addition to reducing effluents through conventional waste treatment*
- *Because access to information is half the battle in achieving clean industrialization, in 1992 UNIDO developed an Energy and Environment Information System as a sustainable, cost-effective approach to putting the latest know-how about pollution prevention within the reach of small- and medium-scale industries*

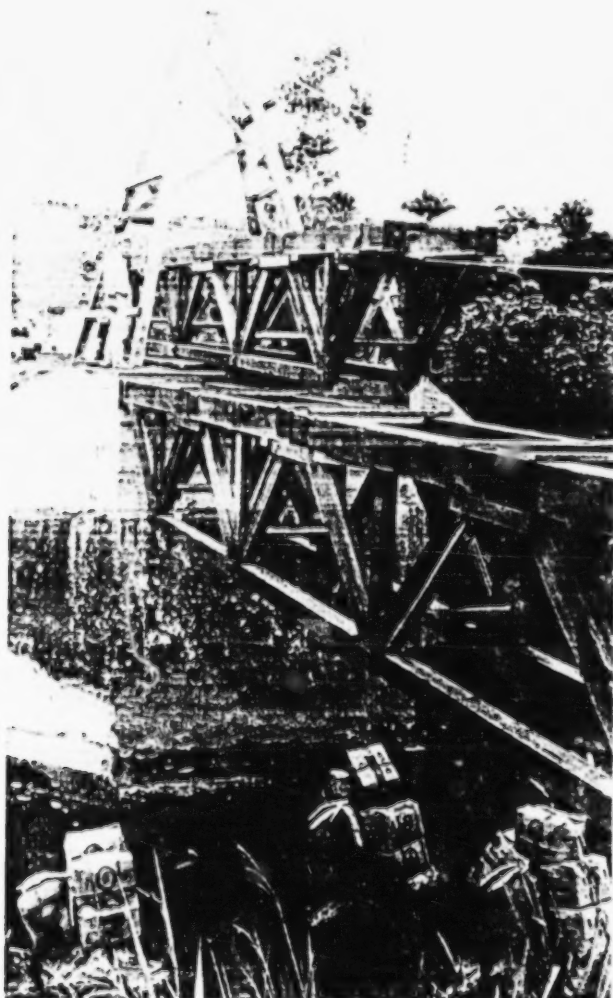


## COOPERATION FOR SUCCESS

Cooperation is the key for developing countries to gain access to the kind of foreign investment and modern technology essential to their industrialization. Regional and subregional cooperation can reinforce the industrial initiatives of individual countries by pooling their efforts within a geographical area. With requirements for industrial financing outstripping official development aid, UNIDO has become a "matchmaker" for North-South, South-South and East-West investment.

UNIDO is also promoting technology transfer from North to South, within the South and between East and West to provide the up-to-date know-how requisite for developing industries to be viable and competitive. At the same time, it is working with regional organizations and individual countries to promote industrial cooperation in general.

- Between 1980 and 1992 UNIDO generated investment for some 1,500 industrial projects through investment promotion activities at Headquarters, national and regional investment forums and investment offices in Athens, Cologne, Milan, Paris, Seoul, Tokyo, Vienna, Warsaw, Washington and Zurich
- UNIDO opened up the benefits of the latest scientific revolution to developing countries when it launched the International Centre for Genetic Engineering and Biotechnology, dedicated to collective research, development and training to overcome starvation, illness and energy shortages in the South
- The vast economic potential of the leather industry in Africa has received a major boost thanks to a UNIDO-executed programme that has encompassed 15 countries in both East and West Africa with the aim of increasing quality, productivity, employment and foreign exchange earnings





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